
A BILL FOR AN ACT

RELATING TO PROCUREMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that procurement for
2 construction projects on the neighbor islands presents unique
3 problems for procuring agencies. State agencies have a vested
4 interest in achieving the most cost-effective means of
5 completing construction projects. However, many projects that
6 require construction or repair of crucial infrastructure, such
7 as roadways or damaged buildings, require agencies to award
8 contracts in an expeditious manner to avoid disruptions in
9 essential services to residents.

10 The legislature further finds that, in many cases, the most
11 cost-effective means of completing construction projects on the
12 neighbor islands is through the use of contractors and
13 construction firms that are based on those islands since those
14 firms already have the heavy equipment and personnel on the
15 island where the construction project is located. In addition,
16 neighbor island firms frequently have existing supply chains
17 that do not require the acquisition or transport of large
18 amounts of construction materials from Oahu. A procurement



1 preference for local firms in the award of construction
2 contracts on neighbor islands would provide cost-effectiveness,
3 expediency, and improved value for the residents of those
4 islands and the State as a whole.

5 The purpose of this Act is to create a procurement
6 preference, applicable to construction contracts to be performed
7 in counties with a population of two hundred fifty thousand or
8 less, for firms that are headquartered in the county where the
9 construction project is to take place.

10 SECTION 2. Chapter 103D, Hawaii Revised Statutes, is
11 amended by adding a new section to part X to be appropriately
12 designated and to read as follows:

13 "§103D- Construction preference. (a) In any
14 expenditure of public funds by a state or county agency for
15 construction in a county with a population of less than two
16 hundred fifty thousand, the use of construction businesses
17 headquartered in that county shall be preferred.

18 (b) The policy board shall adopt rules in accordance with
19 chapter 91 for the purposes of this section. The rules shall
20 establish percentages of preference and the method for
21 determining qualifications for the preference."



H.B. NO. 78

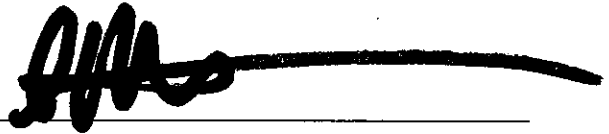
1 SECTION 3. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun before its effective date.

4 SECTION 4. New statutory material is underscored.

5 SECTION 5. This Act shall take effect on July 1, 2011.

6

INTRODUCED BY: _____

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JAN 20 2011



Report Title:

Procurement; Construction

Description:

Establishes a procurement preference, applicable to construction contracts to be performed in counties with a population of 250,000 or less, for firms that are headquartered in the county where the construction project is to take place.

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